



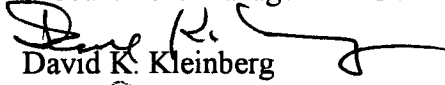
**U.S. Department of  
Transportation**


Office of the Secretary  
of Transportation

400 Seventh St., S.W.  
Washington, D.C. 20590

September 15, 1999

MEMORANDUM TO: Chief Financial Officers  
Procurement Management Council

FROM:   
David K. Kleinberg  
Deputy Chief Financial Officer

  
David J. Litman  
Senior Procurement Executive

SUBJECT: Policy for Electronic Funds Transfer

Vice President Gore has identified the use of Electronic Commerce as a Government-wide priority. Therefore, we are requesting your continued support in addressing requirements of the Debt Collection Improvement Act of 1996 (DCIA). This legislation mandates that all Federal agencies, including the Department of Transportation (DOT), use electronic fund transfer (EFT) for most of their payments. Although DOT has made significant progress in implementing the DCIA during the past 3 years and currently uses EFT for payment of nearly half of all contract actions, there is still much more we must do to meet our EFT goals.

Payments to vendors resulting from contracts/purchase orders represent a large portion of DOT's payments. In order for DOT to expand its use of EFT for these payments, we need your help in two specific areas. First, it is the Federal Government's policy that all contracts/purchase orders include a condition that payments will be made electronically. Please remember to include the mandatory EFT clauses prescribed by the Federal Acquisition Regulation (FAR, 48 CFR 52.232). These clauses must be incorporated into all applicable procurement documents.

Second, to ensure that all EFT information, including the vendor's taxpayer identification number (TIN), is available, it is DOT's policy this information be obtained before or at the point of award for all contracts/purchase orders. If all EFT information is acquired during the award process, your finance office will not be required to contact the vendor for this data. Please designate the cognizant procurement office as the office for receipt of EFT information (reference FAR, 48 CFR 52.232-35). A change to the Transportation Acquisition Manual (TAM) will be issued to incorporate this policy.

Conversion to EFT payment continues to be one of Vice President Gore's priorities. The Department of the Treasury monitors agency compliance and currently request information regarding our progress in converting payments to EFT. In the future, DOT may be subject to penalties pursuant to 31 U.S.C. 3335 for noncompliance if our EFT goals are not achieved.

We look forward to working with you to eliminate the paper check process and establish a more cost effective and reliable way of doing business. If you have any questions or would like our staff to assist you in any way, please contact Rosa Williams at (202) 366-0282.

cc: Financial Management Committee Member